

1 KRISTIN T. MIHELIC, ATTORNEY #278483
2 TRIAL ATTORNEY
3 OFFICE OF THE UNITED STATES TRUSTEE
4 880 FRONT STREET, SUITE 3230
5 SAN DIEGO, CA 92101
6 (619) 557-5013

7 Attorney for
8 TIFFANY L. CARROLL
9 ACTING UNITED STATES TRUSTEE

10 UNITED STATES BANKRUPTCY COURT
11 SOUTHERN DISTRICT OF CALIFORNIA

12 In re

13 CHRISTOPHER D. DOUGHERTY
14 and NEREIDA I. DOUGHERTY,

15 Debtors.

Case No. 18-06051-LT11

UNITED STATES TRUSTEE'S EX
PARTE MOTION FOR AN ORDER
SHORTENING TIME FOR HEARING
ON MOTION TO CONVERT CASE
TO ONE UNDER CHAPTER 7, OR IN
THE ALTERNATIVE, FOR
APPOINTMENT OF CHAPTER 11
TRUSTEE

Judge: Hon. Laura S. Taylor

16
17
18 NOW COMES, the United States Trustee ("UST"), by and through her
19 attorneys, and for her Ex Parte Motion for an Order Shortening Time on the
20 Motion To Convert Case To One Under Chapter 7, Or In the Alternative, For
21 Appointment of Chapter 11 Trustee, pursuant to LBR 9013-3(e) and LBR 9006-
22 1(d), states as follows:
23
24
25
26
27
28

1 1. The Debtors filed their voluntary petition for relief under Chapter 11
2 on October 9, 2018 and have been managing their affairs as debtors-in-possession.
3
4 The UST now believes that a trustee should be appointed in this case. The UST
5 files this Ex Parte Motion requesting that her Motion to Convert Case to One
6 Under Chapter 7, or in the Alternative, for Appointment of Chapter 11 Trustee
7 (“Motion to Convert”), be heard on shortened time. The UST requests that the
8 Motion to Convert, attached hereto as “Exhibit A” and filed contemporaneously on
9 the docket, be heard on April 3, 2019 when the case is scheduled for status
10 conference.
11
12

13
14 2. The Debtors’ case, as presented, is a complex one. The UST has
15 reviewed hundreds of documents regarding the Debtors’ financial and business
16 affairs and has considered testimony by the Debtors at three sessions of the 341
17 Meeting of Creditors.
18

19 3. As set forth in the Motion to Convert, the UST is concerned with the
20 Debtors’ ongoing business operations, mismanagement of the Estate, and
21 substantial evidence of pre-petition financial fraud. The UST does not believe that
22 the Debtors have any ability to confirm a chapter 11 plan, and believes that a
23 trustee should be appointed as soon as possible to investigate the Debtors’ assets
24
25
26
27
28

1 and financial dealings in order to yield the best possible dividend for unsecured
2 creditors in this case.

3
4 4. No prejudice would result from shortening time on the Motion to
5 Convert. The Debtors have been aware since at least the end of February 2019 that
6 the UST was investigating allegations of financial fraud and post-petition
7 mismanagement and planned to file the Motion to Convert. The UST has filed
8 the Motion to Convert expediently and as quickly as the facts and circumstances
9 would permit upon conclusion of an extensive investigation. The Motion to
10 Convert should be heard on shortened time at the status conference scheduled for
11 April 3, 2019.

12
13
14
15 5. If the Court grants this ex-parte Motion, the UST will ensure that all
16 creditors are properly noticed of the Motion to Convert and the Notice of Hearing.

17
18 WHEREFORE, the UST respectfully requests that the Court enter an Order
19 shortening time for hearing on the Motion to Convert Case To One Under Chapter
20 7, Or In The Alternative, For Appointment Of Chapter 11 Trustee, and for all
21

22
23 //
24
25
26
27
28

1 further relief deemed fair and equitable by this Court.
2
3

4 Respectfully submitted,
5

6 TIFFANY L. CARROLL
7 ACTING UNITED STATES TRUSTEE
8

9 Dated: March 14, 2019

By: /s/ Kristin T. Mihelic
Kristin T. Mihelic
Attorney for the Acting United
States Trustee
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28